

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
MICROSOFT CORPORATION, :
: Plaintiff, :
: :
: : 11 Civ. 2365 (KBF)
: : 11 Civ. 2648 (KBF)

DATATERN, INC. ORDER

Defendant.

11 Civ. 2365 (KBF)
11 Civ. 2648 (KBF)

SAP AG AND SAP AMERICA, INC.

Plaintiff,

USDC SDNY
DOCUMENT
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DATE FILED: 4/12/12

- V -

DATATERN, INC.

Defendant.

KATHERINE B. FORREST, District Judge:

This Court has reviewed the parties' submissions regarding a protective order in this action and enters plaintiffs' proposed protective order, attached hereto.

SO ORDERED:

Dated: New York, New York
April 20, 2012

K. B. Forrester

KATHERINE B. FORREST
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

MICROSOFT CORPORATION,

Plaintiff,
v.

DATATERN, INC.,

Defendant.

Civil Action No. 11-cv-2365-KBF
Civil Action No. 11-cv-2648-KBF

SAP AG AND SAP AMERICA, INC.

PROTECTIVE ORDER

Plaintiffs,
v.

DATATERN, INC.,

Defendant.

1. PURPOSES AND LIMITATIONS

Disclosure and discovery activity in this matter (“Matter”) are likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted. Accordingly, entry of the following Protective Order is requested. This Protective Order does not confer blanket protections on all disclosures or responses to discovery and that the protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles. As set forth in Section 14.4 below, this Protective Order does not entitle the parties to file confidential information under seal; ECF Rules Section 6 set forth the procedures that must be followed and the standards that will be applied when a party seeks permission from the Court to file material under seal.

2. DEFINITIONS

2.1 Challenging Party: a Party or Non-Party that challenges the designation of information or items under this Protective Order.

2.2 **“CONFIDENTIAL” Information or Items:** information (regardless of how it is generated,

1 stored or maintained) or tangible things that qualify for protection under Federal Rule of Civil Procedure
 2 26(c).

3 2.3 Counsel (without qualifier): Outside Counsel of Record and House Counsel (as well as
 4 their support staff).

5 2.4 Designated House Counsel: House Counsel who seek access to “HIGHLY
 6 CONFIDENTIAL – ATTORNEYS’ EYES ONLY” information in this matter.

7 2.5 Designating Party: a Party or Non-Party that designates information or items that it
 8 produces in disclosures or in responses to discovery as “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL
 9 – ATTORNEYS’ EYES ONLY,” or “HIGHLY CONFIDENTIAL – SOURCE CODE.”

10 2.6 Disclosure or Discovery Material: all items or information, regardless of the medium or
 11 manner in which it is generated, stored, or maintained (including, among other things, testimony,
 12 transcripts, and tangible things), that are produced or generated in disclosures or responses to discovery in
 13 this matter.

14 2.7 Expert: persons, together with their employees and subcontractors, with specialized
 15 knowledge or experience in a matter pertinent to the litigation who has been retained by a Party or its
 16 counsel to serve as an expert witness (“Testifying Expert”) at trial or to assist a Party as a consultant in
 17 preparation for trial but is not expected to be called as a witness for trial (“Non-Testifying Expert”).

18 2.8 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” Information or Items:
 19 extremely sensitive “Confidential Information or Items,” disclosure of which to another Party or Non-
 20 Party would create a substantial risk of serious harm that could not be avoided by less restrictive means.
 21 Information and items designated in other matters as “CONFIDENTIAL – OUTSIDE ATTORNEYS
 22 EYES ONLY” or “RESTRICTED – ATTORNEYS EYES ONLY” which are produced in this Matter
 23 shall be treated as “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” pursuant to this
 24 Protective Order without further designation.

25 2.9 “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or Items: extremely
 26 sensitive “Confidential Information or Items” representing computer code and associated comments and
 27 revision histories, formulas, engineering specifications, or schematics that define or otherwise describe in
 28 detail the algorithms or structure of software or hardware designs (“Source Code”), disclosure of which to

1 another Party or Non-Party would create a substantial risk of serious harm that could not be avoided by
 2 less restrictive means. Source Code designated in other matters as "RESTRICTED – CONFIDENTIAL
 3 SOURCE CODE" which is produced in this Matter shall be treated as "HIGHLY CONFIDENTIAL –
 4 SOURCE CODE" pursuant to this Protective Order without further designation.

5 2.10 House Counsel: attorneys who are employees of a party to this action. House Counsel
 6 does not include Outside Counsel of Record or any other outside counsel.

7 2.11 Non-Party: any natural person, partnership, corporation, association, or other legal entity
 8 not named as a Party to this action.

9 2.12 Outside Counsel of Record: attorneys who are not employees of a party to this action but
 10 are retained to represent or advise a party to this action and have appeared in this action on behalf of that
 11 party or are affiliated with a law firm which has appeared on behalf of that party.

12 2.13 Party: any party to this action.

13 2.14 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material in
 14 this action.

15 2.15 Professional Vendors: persons or entities that provide litigation support services (e.g.,
 16 photocopying, videotaping, translating, preparing exhibits or demonstrations, and organizing, storing, or
 17 retrieving data in any form or medium) and their employees and subcontractors.

18 2.16 Protected Material: any Disclosure or Discovery Material that is designated as
 19 "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY
 20 CONFIDENTIAL – SOURCE CODE."

21 2.17 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing
 22 Party.

23 3. SCOPE

24 The protections conferred by this Protective Order cover not only Protected Material (as defined
 25 above), but also (1) any information copied or extracted from Protected Material; (2) all copies, excerpts,
 26 summaries, or compilations of Protected Material; and (3) any testimony, conversations, or presentations
 27 by Parties or their Counsel that might reveal Protected Material. However, the protections conferred by
 28 this Protective Order do not cover the following information: (a) any information that is in the public

1 domain at the time of disclosure to a Receiving Party or becomes part of the public domain after its
 2 disclosure to a Receiving Party as a result of publication not involving a violation of this Order, including
 3 becoming part of the public record through trial or otherwise; and (b) any information known to the
 4 Receiving Party prior to the disclosure or obtained by the Receiving Party after the disclosure from a
 5 source who obtained the information lawfully and under no obligation of confidentiality to the Designating
 6 Party. Any use of Protected Material at trial shall be governed by a separate agreement or order.

7 4. DURATION

8 Even after final disposition of this litigation, the confidentiality obligations imposed by this Order
 9 shall remain in effect until a Designating Party agrees otherwise in writing or a court order otherwise
 10 directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and defenses in this
 11 action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all
 12 appeals, rehearings, remands, trials, or reviews of this action, including the time limits for filing any
 13 motions or applications for extension of time pursuant to applicable law.

14 5. DESIGNATING PROTECTED MATERIAL

15 5.1 Exercise of Restraint and Care in Designating Material for Protection. Each Party or Non-
 16 Party that designates information or items for protection under this Protective Order must take care to limit
 17 any such designation to specific material that qualifies under the appropriate standards. To the extent it is
 18 practical to do so, the Designating Party must designate for protection only those parts of material,
 19 documents, items, or oral or written communications that qualify – so that other portions of the material,
 20 documents, items, or communications for which protection is not warranted are not swept unjustifiably
 21 within the ambit of this Protective Order.

22 Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown to be
 23 clearly unjustified or that have been made for an improper purpose (e.g., to unnecessarily encumber or
 24 retard the case development process or to impose unnecessary expenses and burdens on other parties)
 25 expose the Designating Party to sanctions.

26 If it comes to a Designating Party's attention that information or items that it designated for
 27 protection do not qualify for protection at all or do not qualify for the level of protection initially asserted,
 28 that Designating Party must promptly notify all other Parties that it is withdrawing the mistaken

1 designation.

2 5.2 Manner and Timing of Designations. Except as otherwise provided in this Protective
3 Order (see, e.g., second paragraph of section 5.2(a) below), or as otherwise stipulated or ordered,
4 Disclosure or Discovery Material that qualifies for protection under this Protective Order must be clearly
5 so designated before the material is disclosed or produced.

6 Designation in conformity with this Protective Order requires:

7 (a) for information in documentary form (e.g., paper or electronic documents, but excluding
8 transcripts of depositions or other pretrial or trial proceedings), that the Producing Party affix the legend
9 “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY,” or “HIGHLY
10 CONFIDENTIAL – SOURCE CODE” to each page that contains protected material. If only a portion or
11 portions of the material on a page qualifies for protection, the Producing Party also must clearly identify
12 the protected portion(s) (e.g., by making appropriate markings in the margins) and must specify, for each
13 portion, the level of protection being asserted.

14 A Party or Non-Party that makes original documents or materials available for inspection need not
15 designate them for protection until after the inspecting Party has indicated which material it would like
16 copied and produced. During the inspection and before the designation, all of the material made available
17 for inspection shall be deemed “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.” After the
18 inspecting Party has identified the documents it wants copied and produced, the Producing Party must
19 determine which documents, or portions thereof, qualify for protection under this Protective Order. Then,
20 before producing the specified documents, the Producing Party must affix the appropriate legend
21 (“CONFIDENTIAL,” “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY,” or “HIGHLY
22 CONFIDENTIAL – SOURCE CODE”) to each page that contains Protected Material. If only a portion or
23 portions of the material on a page qualifies for protection, the Producing Party also must clearly identify
24 the protected portion(s) (e.g., by making appropriate markings in the margins) and must specify, for each
25 portion, the level of protection being asserted.

26 If a Non-Party Producing Party produces original documents or materials without designation to a
27 Party, the material produced shall be deemed “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
28 ONLY”. Each Party have a period of ten (10) days following its receipt of the Non-Party production to

1 make designations in accordance with this Protective Order on all or a portion of the materials produced
2 by the Non-Party by affixing the appropriate legend to each page that contains protected material and
3 provide copies of such designated Protective Material to all other Parties. Upon receipt of such designated
4 Non-Party Protective Material, all other Parties shall destroy materials originally produced by the Non-
5 Party which have now been designated as Protective Material. If no such designations have been made
6 and notice has not been provided within the time frames prescribed by this paragraph, the non-designated
7 material produced by the Non-Party shall not be subject to the protections of this Protective Order.

8 (b) for testimony given in deposition or in other pretrial or trial proceedings, that the Designating
9 Party identify on the record, before the close of the deposition, hearing, or other proceeding, all protected
10 testimony and specify the level of protection being asserted. When it is impractical to identify separately
11 each portion of testimony that is entitled to protection and it appears that substantial portions of the
12 testimony may qualify for protection, the Designating Party may invoke on the record (before the
13 deposition, hearing, or other proceeding is concluded) a right to have up to 21 days to identify the specific
14 portions of the testimony as to which protection is sought and to specify the level of protection being
15 asserted. Only those portions of the testimony that are appropriately designated for protection within the
16 21 days shall be covered by the provisions of this Protective Order. Alternatively, a Designating Party may
17 specify, at the deposition or up to 21 days afterwards if that period is properly invoked, that the entire
18 transcript shall be treated as "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES
19 ONLY."

20 Parties shall give the other parties notice if they reasonably expect a deposition, hearing, or other
21 proceeding to include Protected Material so that the other parties can ensure that only authorized
22 individuals who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A) are present
23 at those proceedings. The use of a document as an exhibit at a deposition shall not in any way affect its
24 designation as "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY."

25 Transcripts containing Protected Material shall have an obvious legend on the title page that the
26 transcript contains Protected Material, and the title page shall be followed by a list of all pages (including
27 line numbers as appropriate) that have been designated as Protected Material and the level of protection
28 being asserted by the Designating Party. The Designating Party shall inform the court reporter of these

1 requirements. Any transcript that is prepared before the expiration of a 21-day period for designation shall
 2 be treated during that period as if it had been designated "HIGHLY CONFIDENTIAL – ATTORNEYS'
 3 EYES ONLY" in its entirety unless otherwise agreed. After the expiration of that period, the transcript
 4 shall be treated only as actually designated.

5 (c) for information produced in some form other than documentary and for any other tangible
 6 items, that the Producing Party affix in a prominent place on the exterior of the container or containers in
 7 which the information or item is stored the legend "CONFIDENTIAL," "HIGHLY CONFIDENTIAL –
 8 ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE." If only a portion or
 9 portions of the information or item warrant protection, the Producing Party, to the extent practicable, shall
 10 identify the protected portion(s) and specify the level of protection being asserted.

11 5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to designate
 12 qualified information or items does not, standing alone, waive the Designating Party's right to secure
 13 protection under this Protective Order for such material. Upon timely correction of a designation, the
 14 Receiving Party must make reasonable efforts to assure that the material is treated in accordance with the
 15 provisions of this Protective Order.

16 6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

17 6.1 Timing of Challenges. Any Party or Non-Party may challenge a designation of
 18 confidentiality at any time. Unless a prompt challenge to a Designating Party's confidentiality designation
 19 is necessary to avoid foreseeable, substantial unfairness, unnecessary economic burdens, or a significant
 20 disruption or delay of the litigation, a Party does not waive its right to challenge a confidentiality
 21 designation by electing not to mount a challenge promptly after the original designation is disclosed.

22 6.2 Meet and Confer. The Challenging Party shall initiate the dispute resolution process by
 23 providing written notice of each designation it is challenging and describing the basis for each challenge.
 24 To avoid ambiguity as to whether a challenge has been made, the written notice must recite that the
 25 challenge to confidentiality is being made in accordance with this specific paragraph of the Protective
 26 Order. The parties shall attempt to resolve each challenge in good faith and must begin the process by
 27 conferring directly (in voice to voice dialogue; other forms of communication are not sufficient) within 14
 28 days of the date of service of notice. In conferring, the Challenging Party must explain the basis for its

1 belief that the confidentiality designation was not proper and must give the Designating Party an
 2 opportunity to review the designated material, to reconsider the circumstances, and, if no change in
 3 designation is offered, to explain the basis for the chosen designation. A Challenging Party may proceed to
 4 the next stage of the challenge process only if it has engaged in this meet and confer process first or
 5 establishes that the Designating Party is unwilling to participate in the meet and confer process in a timely
 6 manner.

7 6.3 Judicial Intervention. If the Parties cannot resolve a challenge without court intervention,
 8 the Designating Party shall file and serve a motion to retain confidentiality under Civil Local Rule 37.2
 9 (and in compliance with the Individual Practices in Civil Cases for Judge Forrest, if applicable) within 21
 10 days of the initial notice of challenge or within 14 days of the parties agreeing that the meet and confer
 11 process will not resolve their dispute, whichever is earlier. Each such motion must be accompanied by a
 12 competent declaration affirming that the movant has complied with the meet and confer requirements
 13 imposed in the preceding paragraph. Failure by the Designating Party to make such a motion including the
 14 required declaration within 21 days (or 14 days, if applicable) shall automatically waive the confidentiality
 15 designation for each challenged designation. In addition, the Challenging Party may file a motion
 16 challenging a confidentiality designation at any time if there is good cause for doing so, including a
 17 challenge to the designation of a deposition transcript or any portions thereof. Any motion brought
 18 pursuant to this provision must be accompanied by a competent declaration affirming that the movant has
 19 complied with the meet and confer requirements imposed by the preceding paragraph.

20 The burden of persuasion in any such challenge proceeding shall be on the Designating Party.
 21 Frivolous challenges and those made for an improper purpose (e.g., to harass or impose unnecessary
 22 expenses and burdens on other parties) may expose the Challenging Party to sanctions. Unless the
 23 Designating Party has waived the confidentiality designation by failing to file a motion to retain
 24 confidentiality as described above, all parties shall continue to afford the material in question the level of
 25 protection to which it is entitled under the Producing Party's designation until the Court rules on the
 26 challenge.

27 7. ACCESS TO AND USE OF PROTECTED MATERIAL

28 7.1 Basic Principles. A Receiving Party may use Protected Material that is disclosed or

1 produced by another Party or by a Non-Party in connection with this case only for prosecuting, defending,
 2 or attempting to settle this litigation. Such Protected Material may be disclosed only to the categories of
 3 persons and under the conditions described in this Protective Order. When the litigation has been
 4 terminated, a Receiving Party must comply with the provisions of section 15 below (FINAL
 5 DISPOSITION).

6 Protected Material must be stored and maintained by a Receiving Party at a location and in a
 7 secure manner that ensures that access is limited to the persons authorized under this Protective Order.

8 7.2 Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by the
 9 Court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or
 10 item designated "CONFIDENTIAL" only to:

11 (a) the Receiving Party's Outside Counsel of Record in this action, as well as employees of
 12 said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this
 13 litigation;

14 (b) the officers, directors, and employees (including House Counsel) of the Receiving Party to
 15 whom disclosure is reasonably necessary for this litigation and who have signed the "Acknowledgment
 16 and Agreement to Be Bound" (Exhibit A);

17 (c) Experts (as defined in this Protective Order) of the Receiving Party to whom disclosure is
 18 reasonably necessary for this litigation and who have signed the "Acknowledgment and Agreement to Be
 19 Bound" (Exhibit A);

20 (d) the Court and its personnel;

21 (e) court reporters and their staff, professional jury or trial consultants (and their employees
 22 and subcontractors), and Professional Vendors to whom disclosure is reasonably necessary for this
 23 litigation and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);

24 (f) during their depositions, witnesses in the action to whom disclosure is reasonably
 25 necessary and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A), unless
 26 otherwise agreed by the Designating Party or ordered by the Court. Pages of transcribed deposition
 27 testimony or exhibits to depositions that reveal Protected Material must be separately bound by the court
 28 reporter and may not be disclosed to anyone except as permitted under this Protective Order.

(g) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information.

7.3 Disclosure of “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” and “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or Items. Unless otherwise ordered by the Court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or item designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” only to:

(a) the Receiving Party's Outside Counsel of Record in this action, as well as employees of said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this litigation and who have signed the "Acknowledgment and Agreement to Be Bound" that is attached hereto as Exhibit A;

(b) Designated House Counsel of the Receiving Party (1) who has no involvement in competitive decision-making, (2) to whom disclosure is reasonably necessary for this litigation, (3) who has signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), and (4) as to whom the procedures set forth in paragraph 7.4(a)(1), below, have been followed:¹

(c) Experts of the Receiving Party (1) to whom disclosure is reasonably necessary for this litigation, (2) who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), and (3) as to whom the procedures set forth in paragraph 7.4(a)(2), below, have been followed;

(d) the Court and its personnel;

(e) court reporters and their staff, professional jury or trial consultants (and their employees and subcontractors), and Professional Vendors to whom disclosure is reasonably necessary for this litigation and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A); and

(f) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information.

7.4 Procedures for Approving or Objecting to Disclosure of "HIGHLY CONFIDENTIAL -

¹ This Order contemplates that Designated House Counsel shall not have access to any information or items designated "HIGHLY CONFIDENTIAL – SOURCE CODE."

1 ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" Information or Items
 2 to Designated House Counsel or Experts.

3 (a)(1) Unless otherwise ordered by the Court or agreed to in writing by the Designating Party,
 4 a Party that seeks to disclose to Designated House Counsel any information or item that has been
 5 designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" pursuant to paragraph 7.3(b)
 6 first must make a written request to the Designating Party that (1) sets forth the full name of the
 7 Designated House Counsel and the city and state of his or her residence and (2) describes the Designated
 8 House Counsel's current and reasonably foreseeable future primary job duties and responsibilities in
 9 sufficient detail to determine if House Counsel is involved, or may become involved, in any competitive
 10 decision-making.

11 (a)(2) Unless otherwise ordered by the Court or agreed to in writing by the Designating Party,
 12 a Party that seeks to disclose to an Expert (as defined in this Stipulated Protective Order) any information
 13 or item that has been designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or
 14 "HIGHLY CONFIDENTIAL – SOURCE CODE" pursuant to paragraph 7.3(c) first must provide the
 15 Designating Party the Expert's curriculum vitae and sets forth (1) the full name of the Expert, including
 16 those employees and subcontractors to whom disclosure will be made ("Expert Group"), (2) the city and
 17 state of the primary residence of each member of the Expert Group, (3) subject to confidentiality
 18 obligations of the Expert,² a complete list of employment and consulting relationships between each
 19 member of the Expert Group and a third party (including all clients for whom such member provided
 20 professional services on behalf of either the Expert or any consulting firm for which the member is
 21 employed) in his/her field in the last 4 years, and (4) identifies a complete list of all lawsuits in which that
 22 person has, in the last 4 years, provided deposition or trial testimony, submitted a declaration or affidavit,
 23 or disclosed an opinion or expert report to the tribunal or to the adversary of the client retaining that person

25 ² If the Expert believes any of this information is subject to a confidentiality obligation to a third-party or a protective
 26 order, then the Expert should provide whatever information the Expert believes can be disclosed without violating
 27 any confidentiality agreements, and the Party seeking to disclose to the Expert shall be available to meet and confer
 28 with the Designating Party regarding any such engagement. An Expert's inability to disclose all of the information
 required in this section as a result of a confidentiality agreement or court order shall not serve as the sole basis for an
 objection to disclosure under this protective order so long as the Expert can represent that such work was not
 competitive with the products which are the subject of the infringement claims involved in this litigation.

(including the style of the litigation, the party retaining the person, the date that person was retained, and the Court in which the case is or was pending). Information identified pursuant to this section concerning a Non-Testifying Expert shall not be used by the Designating Party at trial; nor shall the disclosure of the identity of a Non-Testifying Expert waive or negate the protections afforded such experts under Fed.R.Civ.P. 26(b)(4)(D).

(b) A Party that makes a request and provides the information specified in the preceding respective paragraphs may disclose the subject Protected Material to the identified Designated House Counsel or Expert Group unless, within 5 business days of delivering the request, the Party receives a written objection from the Designating Party. Any such objection must set forth in detail the grounds on which it is based.

(c) A Party that receives a timely written objection must meet and confer with the Designating Party (through direct voice to voice dialogue) to try to resolve the matter by agreement within three (3) business days of the written objection. If no agreement is reached, the Designating Party may file a motion as provided in Civil Local Rule 37.2 seeking preclusion from the Court to do so. If the objecting Party fails to file a motion within five (5) business days of the parties' conference, the objection shall be considered withdrawn. Any such motion must describe the circumstances with specificity and set forth in detail the reasons why disclosure to Designated House Counsel or the Expert should be precluded. In addition, any such motion must be accompanied by a competent declaration describing the parties' efforts to resolve the matter by agreement (i.e., the extent and the content of the meet and confer discussions).

In any such proceeding, the Party opposing disclosure to Designated House Counsel or the Expert shall bear the burden of proving that the risk of harm that the disclosure would entail (under the safeguards proposed) outweighs the Receiving Party's need to disclose the Protected Material to its Designated House Counsel or Expert.

8. PROSECUTION BAR

Absent written consent from the Producing Party, any individual who receives access to
“HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL –
SOURCE CODE” information shall not be involved in the prosecution of patents or patent applications
relating to claims directed to the particular information disclosed, including without limitation the patents

1 asserted in this action and any patent or application claiming priority to or otherwise related to the patents
 2 asserted in this action, before any foreign or domestic agency, including the United States Patent and
 3 Trademark Office (“the Patent Office”). For purposes of this paragraph, “prosecution” includes directly or
 4 indirectly drafting, amending, advising, or otherwise affecting the scope or maintenance of patent claims.³
 5 To avoid any doubt, “prosecution” as used in this paragraph does not include representing a party
 6 challenging a patent before a domestic or foreign agency (including, but not limited to, a reissue protest, *ex*
 7 *parte* reexamination or *inter partes* reexamination). This Prosecution Bar shall begin when access to
 8 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL –
 9 SOURCE CODE” information is first received by the affected individual and shall end two (2) years after
 10 final termination of this action.

11 9. SOURCE CODE

12 (a) To the extent production of Source Code becomes necessary in this case, a Producing
 13 Party may designate Source Code as “HIGHLY CONFIDENTIAL – SOURCE CODE” if it comprises or
 14 includes confidential, proprietary or trade secret Source Code.

15 (b) Protected Material designated as “HIGHLY CONFIDENTIAL – SOURCE CODE” shall
 16 be subject to all of the protections afforded to “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
 17 ONLY” information, including the Prosecution Bar set forth in Paragraph 8, and may be disclosed only to
 18 the individuals to whom “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” information may
 19 be disclosed, as set forth in Paragraphs 7.3 and 7.4, with the exception of Designated House Counsel.

20 (c) Any Source Code produced in discovery shall be made available for inspection, in a
 21 format allowing it to be reasonably reviewed and searched, during normal business hours or at other
 22 mutually agreeable times at an office of the Producing Party’s counsel or another mutually agreed upon
 23 location. The Source Code shall be made available for inspection on a reasonable number of secured
 24 computers in a secured room without Internet access or network access to other computers. The Receiving
 25 Party may install additional software tools, subject to the approval of the Disclosing Party, on the
 26 computer for use in analyzing the Source Code. The Receiving Party shall not copy, remove, or otherwise

27
 28 ³ Prosecution includes, for example, original prosecution, reissue and reexamination proceedings.

1 transfer any portion of the Source Code onto any recordable media or recordable device. The Producing
 2 Party may visually monitor the activities of the Receiving Party's representatives during any Source Code
 3 review, but only to ensure that there is no unauthorized recording, copying, or transmission of the Source
 4 Code.

5 (d) The Receiving Party may request paper copies of limited portions of Source Code that are
 6 reasonably necessary for the preparation of court filings, pleadings, expert reports, or other papers, or for
 7 deposition or trial, but shall not request paper copies for the purpose of reviewing the Source Code other
 8 than electronically as set forth in paragraph (c) in the first instance. The Producing Party shall provide all
 9 such Source Code in paper form, including bates numbers and the label "HIGHLY CONFIDENTIAL –
 10 SOURCE CODE." The Producing Party may challenge the amount of Source Code requested in hard copy
 11 form pursuant to the dispute resolution procedure and timeframes set forth in Paragraph 6 whereby the
 12 Producing Party is the "Challenging Party" and the Receiving Party is the "Designating Party" for
 13 purposes of dispute resolution.

14 (e) The Receiving Party shall maintain a record of any individual who has inspected any
 15 portion of the Source Code in electronic or paper form. The Receiving Party shall maintain all paper
 16 copies of any printed portions of the Source Code in a secured, locked area. The Receiving Party shall not
 17 create any electronic or other images of the paper copies and shall not convert any of the information
 18 contained in the paper copies into any electronic format. The Receiving Party shall only make additional
 19 paper copies if such additional copies are (1) necessary to prepare court filings, pleadings, or other papers
 20 (including a testifying expert's expert report), (2) necessary for deposition, or (3) otherwise necessary for
 21 the preparation of its case. Any paper copies used during a deposition shall be retrieved by the Producing
 22 Party at the end of each day and must not be given to or left with a court reporter or any other
 23 unauthorized individual.

24 10. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER
LITIGATION

26 If a Party is served with a subpoena or a court order issued in other litigation that compels
 27 disclosure of any information or items designated in this action as "CONFIDENTIAL," "HIGHLY
 28 CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE

1 CODE," that Party must:

2 (a) promptly notify in writing the Designating Party. Such notification shall include a copy of
3 the subpoena or court order;

4 (b) promptly notify in writing the party who caused the subpoena or order to issue in the other
5 litigation that some or all of the material covered by the subpoena or order is subject to this Protective
6 Order. Such notification shall include a copy of this Protective Order; and

7 (c) cooperate with respect to all reasonable procedures sought to be pursued by the
8 Designating Party whose Protected Material may be affected.⁴

9 If the Designating Party timely seeks a protective order, the Party served with the subpoena or
10 court order shall not produce any information designated in this action as "CONFIDENTIAL," "HIGHLY
11 CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE"
12 before a determination by the Court from which the subpoena or order issued, unless the Party has
13 obtained the Designating Party's permission. The Designating Party shall bear the burden and expense of
14 seeking protection in that court of its confidential material – and nothing in these provisions should be
15 construed as authorizing or encouraging a Receiving Party in this action to disobey a lawful directive from
16 another court.

17 11. A NON-PARTY'S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS
18 LITIGATION

19 (a) The terms of this Protective Order are applicable to information produced by a Non-Party
20 in this action and designated as "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS'
21 EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE." Such information produced by Non-
22 Parties in connection with this litigation is protected by the remedies and relief provided by this Protective
23 Order. Nothing in these provisions should be construed as prohibiting a Non-Party from seeking additional
24 protections.

25 (b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party's

26
27 ⁴ The purpose of imposing these duties is to alert the interested parties to the existence of this Protective Order and to
28 afford the Designating Party in this case an opportunity to try to protect its confidentiality interests in the court from
which the subpoena or order issued.

1 confidential information in its possession, and the Party is subject to an agreement with the Non-Party not
2 to produce the Non-Party's confidential information and/or a court order governing the protection of the
3 Non-Party's confidential information, then the Party shall:

4 1. promptly notify in writing the Requesting Party and the Non-Party that some or
5 all of the information requested is subject to a confidentiality agreement with a Non-Party;

6 2. promptly provide the Non-Party with a copy of the Protective Order in this
7 litigation, the relevant discovery request(s), and a reasonably specific description of the information
8 requested; and

9 3. make the information requested available for inspection by the Non-Party.

10 (c) If the Non-Party fails to object or seek a protective order from this court within 14 days of
11 receiving the notice and accompanying information, the Receiving Party may produce the Non-Party's
12 confidential information responsive to the discovery request. If the Non-Party timely seeks a protective
13 order, the Receiving Party shall not produce any information in its possession or control that is subject to
14 the confidentiality agreement with the Non-Party before a determination by the court.⁵ Absent a court
15 order to the contrary, the Non-Party shall bear the burden and expense of seeking protection in this Court
16 of its Protected Material.

17 12. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

18 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material
19 to any person or in any circumstance not authorized under this Protective Order, the Receiving Party must
20 immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use its best
21 efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to
22 whom unauthorized disclosures were made of all the terms of this Protective Order, and (d) request such
23 person or persons to execute the "Acknowledgment and Agreement to Be Bound" that is attached hereto
24 as Exhibit A.

25 13. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED
26 MATERIAL

27

⁵ The purpose of this provision is to alert the interested parties to the existence of confidentiality rights of a Non-
28 Party and to afford the Non-Party an opportunity to protect its confidentiality interests in this court.

1 If information subject to a claim of attorney-client privilege, work product immunity, or any other
2 applicable claim of privilege or immunity is inadvertently disclosed, such disclosure shall in no way
3 prejudice or otherwise constitute a waiver or estoppel as to any claim of privilege or immunity against
4 disclosure of such information, provided that the party making such disclosure shall notify the receiving
5 party in writing of such inadvertent disclosure within a reasonable time of the discovery of the inadvertent
6 disclosure. Upon the disclosing party's request, all copies of inadvertently disclosed information shall be
7 returned to the disclosing party and destroyed by the receiving party, without any need on the part of the
8 disclosing party to explain the reason for the inadvertent disclosure or to demonstrate to the receiving
9 party that the disclosure was inadvertent. The receiving party's obligation to return and destroy all copies
10 of inadvertently disclosed information shall extend to all portions of newly-created documents, such as
11 summaries or commentaries, embodying the inadvertently disclosed information. The receiving party may
12 move the Court for an order compelling production of such inadvertently disclosed information, but the
13 motion shall not assert as a ground for production the fact or circumstances of the inadvertent disclosure.
14 If the disclosing party's claim of privilege or immunity over the inadvertently disclosed information is
15 disputed, the receiving party shall not use or disclose such information for any purpose until the matter is
16 resolved by agreement of the parties or by a decision of this Court.

17 14. **MISCELLANEOUS**

18 14.1 Right to Further Relief. Nothing in this Protective Order abridges the right of any person
19 to seek its modification by the Court in the future.

20 14.2 Right to Assert Other Objections. By stipulating to the entry of this Protective Order no
21 Party waives any right it otherwise would have to object to disclosing or producing any information or
22 item on any ground not addressed in this Protective Order. Similarly, no Party waives any right to object
23 on any ground to use in evidence of any of the material covered by this Protective Order.

24 14.3 Filing Protected Material. Without written permission from the Designating Party or a
25 court order secured after appropriate notice to all interested persons, a Party may not file in the public
26 record in this action any Protected Material. A Party that seeks to file under seal any Protected Material
27 must comply with the ECF Rules and the Sealed Records Filing Instructions found at
28 http://nysd.uscourts.gov/cases_records.php?records=sealed_records. Protected Material may only be filed

1 under seal pursuant to a court order authorizing the sealing of the specific Protected Material at issue. If a
2 Receiving Party's request to file Protected Material under seal pursuant to ECF Rules and the Sealed
3 Records Filing Instructions is denied by the Court, then the Receiving Party may file the Protected
4 Material in the public record unless otherwise instructed by the Court.

5 **14.4 No Protected Material Shall Leave the United States.** Protected Material shall not be
6 disclosed to any person or entity located outside the United States, and Protected Material shall not be
7 sent, distributed, or otherwise taken to any location outside the United States.

8 15. **FINAL DISPOSITION**

9 Within 60 days after the final disposition of this action, as defined in paragraph 4, each Receiving
10 Party must return all Protected Material to the Producing Party or destroy such material. As used in this
11 subdivision, "all Protected Material" includes all copies, abstracts, compilations, summaries, and any other
12 format reproducing or capturing any of the Protected Material. Whether the Protected Material is returned
13 or destroyed, the Receiving Party must submit a written certification to the Producing Party (and, if not the
14 same person or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by category,
15 where appropriate) all the Protected Material that was returned or destroyed and (2) affirms that the
16 Receiving Party has not retained any copies, abstracts, compilations, summaries or any other format
17 reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are
18 entitled to retain an archival copy of all pleadings, motion papers, trial, deposition, and hearing transcripts,
19 legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney work product, and
20 consultant and expert work product, even if such materials contain Protected Material. Any such archival
21 copies that contain or constitute Protected Material remain subject to this Protective Order as set forth in
22 Section 4 (DURATION).

23
24 IT IS SO ORDERED.

25
26 DATED: 4/23/12 K. B. Forrest
27 Hon Katherine B. Forrest
United States District Judge
28

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____
[print or type full address], declare under penalty of perjury that I have read in its entirety and understand
the Protective Order that was issued by the United States District Court for the Southern District of New
York on _____ [date] in the cases of *Microsoft Corp. v. DataTern, Inc.*, Civil Action No. 11-cv-2365-
KBF and *SAP AG and SAP America, Inc. v. DataTern, Inc.*, Civil Action No. 11-cv-2648-KBF. I agree to
comply with and to be bound by all the terms of this Protective Order, and I understand and acknowledge
that failure to so comply could expose me to sanctions and punishment in the nature of contempt. I
solemnly promise that I will not disclose in any manner any information or item that is subject to this
Protective Order to any person or entity except in strict compliance with the provisions of this Protective
Order.

13 I further agree to submit to the jurisdiction of the United States District Court for the
14 Southern District of New York for the purpose of enforcing the terms of this Protective Order, even if such
15 enforcement proceedings occur after termination of this action.

16 I hereby appoint _____ [print or type full name] of
17 _____ [print or type full address and telephone number] as my
18 New York agent for service of process in connection with this action or any proceedings related to
19 enforcement of this Protective Order.

21 || Date:

22 City and State where sworn and signed:

23 Printed name: _____
24 [printed name]

25 Signature: _____
[signature]